

City of Round Rock
City Council Work Session
February 18, 2009

The Round Rock City Council met in Work Session on Wednesday, February 18, 2009, in the City Council Chamber, 221 E. Main Street.

CALL SESSION TO ORDER – 7:30 A.M.

Mayor McGraw called the meeting to order at 7:34 a.m.

ROLL CALL: Those members present were Mayor Alan McGraw, Mayor Pro-Tem Joe Clifford, Councilmember Rufus Honeycutt, Councilmember George White, Councilmember Carlos T. Salinas, Councilmember Scott Rhode and Councilmember Kris Whitfield. Also present were City Manager Jim Nuse, Assistant Manager David Kautz, Assistant City Manager Cindy Demers, and City Attorney Steve Sheets.

WORK SESSION:

3A. Consider opening remarks by the City Manager.

City Manager, Jim Nuse gave some brief opening remarks and reviewed the items on the agenda and briefly discussed how the retreat would flow.

3B. Consider a presentation and discussion regarding the following topics:

1. Strategic Plan, Business Plan and Organizational Structure

Herb Marlowe started that session by reviewing the purpose of the session which is to review the strategic plan, discuss how plan will be implemented and performance management, and implication examples. He also reviewed with the Council the four themes that came out of other work sessions: Places and spaces, economic progress, safety and security and high value government. He then discussed the goal rating scale and explained to the Council what they would be doing today with regards to ranking the goals. Mr. Marlowe began the ranking session by first reviewing the goals. The Council and Directors went through each goal of the strategic plan and ranked 1 through 5 their priorities for the goals with 1 being the highest priority and 5 rejecting the goal. After completing the ranking of all goals, Mr. Marlowe went through the next steps in the process. Cindy Demers, Assistant City Manager spoke briefly about the business process assessment being done by Plante & Moran. Mr. Marlowe will now take the plan and restructure based on the priorities given today by the Council.

2. 2010 Budget & the Economic Outlook

David Kautz began the discussion on this item. He started with a brief introduction on the economic hard times that the entire nation is facing and how it impacts the City specifically. Cheryl Delaney, Finance Director took over the presentation and began with the City's current status. She reported that the City continues to maintain a strong financial position and continues to see low property and utility rates, excellent cash reserves, pay-as-you-go capital program and recent GO and Utility Bond upgrade (AA+ for GO and AA- for Utility bonds). She then gave a brief overview of the US economy. She touched briefly on the unemployment rate of 7.6% (January 09), the fluctuations in the markets, both domestic and international, interest rates continue at a lower rate and there is a general decline in business and consumer spending. Recovery is expected to be slow. In Round Rock specifically, property values are expected to decline, sales tax revenue expected to decline, continued population growth is expected and the unemployment rate is currently at 5.2%. Building activity has slowed both for residential and commercial. She also emphasized that it is important to continue to evaluate other taxing entities' impact on Round Rock's local economy. The Austin-Round Rock metro area is expected to weather the recession better than the rest of Texas and the nation. Ms. Delaney then covered the expected taxable property values and reported that in FY2010 values are expected to decrease by 3% to \$7.8 billion and in 2011 a 2% decrease to \$7.7 billion. These figures are inclusive of new construction. She then covered sales tax revenue projections for FY2010 and FY2011. She reported that the City's reliance on Dell sales tax continues to decline and that the City needs to continue to search for other revenue sources to help relieve the reliance on Dell as well as looking at where cost savings can be realized. Lastly, she covered some new facilities coming online that can impact the City's budget in 2010 and beyond as well as the FY2009 projection assumptions. She is forecasting that the City will meet sales tax projections, meet property tax projects, and continue with its cost saving strategy. Ms. Delaney also briefly went over some FY2010 budget issues such as property tax reliance, sales tax performance and market study impact, maintaining current service levels, new program considerations and economic development incentives.

The work session broke for lunch and during lunch the following items were moved up on the agenda discussed:

4. Legislative Update

David Kautz began the discussion and introduced Randy Cain and Susan Rocha.

a. Presentation by Randy Cain and/or Susan Rocha – Susan Rocha started the presentation and presented the Council with a summary on the legislative session to date. She briefly covered the make-up of the House and Senate this session and what each has been doing. Ms. Rocha then covered some of the most popular topics and bills that have arisen so far during the session. Then she covered the Round Rock Specific issues. Randy Cain covered the sales tax issues and reported that it looks like it is going to be a fairly busy season on sales tax issues. The two main issues facing the legislature in regards to sales tax is streamlined sales tax and the “warehouse” sales tax issues. Mr. Cain discussed each one in detail and the Council discussed how this could potentially impact the City of Round Rock and its sales tax revenues in the future. Mr. Cain then covered higher education funding legislative items and that no one from Williamson County is on the House Appropriations Committee this session.

David Kautz then discussed some legislative issues and bills that he felt might impact Round Rock.

b. Proposed legislation related to property tax and sales tax – this item was presented and discussed during Randy Cain’s presentation above.

c. Proposed legislation related to regional water facilities – this item was not discussed.

d. Proposed legislation related to federal labor relations – Teresa Bledsoe, HR Director and Fire Chief Larry Hodge covered some pending federal legislation regarding collective bargaining for fire and police and covered the minimum standards that would be required by the bill. The estimated action timeline is that one year after enactment FLRA must promulgate regulations and two years after enactment, direct regulation by FLRA become effective if the state fails to substantially comply.

e. Other legislative proposals related to municipal government – These items were covered earlier in a previous presentation.

5. IH-35 Gateway Signs – Tim Bargainer and BWM Group gave a presentation on the gateway signs, the status of the project and the timeline. Bob Strobeck from Sign Tech international discussed the elements of the gateway sign. He first covered the material for the tower and sentinels which will be aluminum with an oxidized finish to look like rusted steel. The tower will be ten feet wide at the base and 35 feet tall. Each letter in “Round Rock” is 6 feet tall and the city name will span 55 feet. He also informed the Council and LED lighting will be used to cut down on maintenance and cost. The letters will be made of aluminum with acrylic lenses. Regarding the budget, Tim Bargainer guaranteed the Council that the budget for this project is \$250,000 and no more. Jim Nuse informed the Council that they are ready to spec and put this project out to bid.

3. Utility System Outlook

a. Overall outlook – Michael Thane, Utility Director gave an overall outlook of the utility system starting with the history and when the City ran out of water in the late 70s. The current Round Rock plant was built in 1982. Mr. Thane showed comparisons of demand and plant capacity. He also covered where the City gets its water from now and where it will get it from in the future. Next, Mr. Thane covered the City’s drought contingency and peak day water use management plan. He briefly went over each stage of the drought contingency plans and what the triggers are. He then covered the water conservation plan and upcoming events regarding water conservation.

Cindy Demers, Assistant City Manager gave an update on the City’s wholesale customers as well as retail winter averaging. For retail wastewater winter averaging, she began by explaining how it is calculated based on 3 months average winter water use. The period runs generally between November 1 and February 28 depending on customer billing zone. Ms Demers went over the changes that will be proposed in calculating the winter averaging and gave some brief history. In 2006, she modified the calculation to adjust for a significant dry period by dropping the highest month and averaged remaining two months. She then covered

the billing periods for utility bills and then 4 different zones and what area of the city they cover.

Cheryl Delaney, Finance Director then covered the Utility Fund budget. She started with the different revenue sources for the fund; water sales, sewer sales, rate increase, water conservation and other. The major expenses for the utility fund are reserve water costs, LCRA/BRA wastewater costs, operational costs (electricity), and water conservation costs. Ms. Delaney briefly covered the retail rate adjustments and reminded the Council that the City's position has always been that growth should pay for itself, and that is why we have higher impact fees. Lastly, she compared the City of Round Rock's residential utility rates (monthly cost) to surrounding cities.

b. Brushy Creek Regional Utility Authority / Regional Water System – Michael Thane presented an update on the BRCUA. He started with some background on the project and then covered the project schedule for Phase 1A and the costs for the first phase of the project. He reported that Round Rock's portion is \$65,687,431. The hope is that actual costs will be a little less as construction costs decrease. Cindy Demers provided an update on the financing through the Texas Water Development Board.

c. Regional Wastewater System / Lower Colorado River Authority – Michael Thane gave a brief overview and background on the regional wastewater system and covered what cities are involved in it. He also covered that the regional wastewater system is more than just the wastewater plants, it is also a network of pipes.

6. Downtown Plan

Will Hampton, Communication Director presented on the downtown plan and first covered the charrette that took place the week of January 12th at the McConico and Baca center. More than 160 citizens attended. He reported that daily recaps of the charrette are posted on the downtown plan blog. Mr. Hampton then went through the master planning team and also covered the input that was heard by citizens and stakeholders as well as the observations made by the design team such as streets empty of pedestrians, visibility of downtown for I-35, need for an identifiable place, resolution of ball fields issue, need for more

density, opportunity for TOD, variety, great bones – grid, need for non-profit infrastructure and a need for form based code. He then went on to discuss some of the plans for each section of the downtown area that are being discussed. Lastly, Mr. Hampton covered the proposed modern roundabouts and covered various statistics and the next steps for the downtown master plan. He reported that Torti Gallas is refining, vetting ideas and concepts generated and is crafting the Master Plan and Form Based Code. The final step is public meetings with P&Z and City Council to present the final plan and form based code – early this summer.

7. Relaxing sign regulations during the recession

Jim Stendebach went over the current sign ordinance which is decades old and some requests that have been made for special exceptions. He reported that the sign ordinance has been reviewed to identify certain signs that could be permitted without adversely affecting the look of the City. The current ordinance permits the following commercial signs: On site business signs, signs on buildings, multi-tenant signs for large shopping centers, and limited are identification signs in the right-of-way. It also permits the following signs for residential subdivision signs: subdivision marketing signs on site and are identification signs in the right-of-way. The ordinance does not allow for any portable signs and include the following: bandit signs, inflatable signs, human signs, most banners, and signs mounted on trailers or vehicles. Mr. Stendebach also went on to say that the currently permitted signs provide the primary signage necessary to identify a center and the primary tenants. He showed an example of that kind of sign. Additionally permitting select on site signs within a center would assist people in locating a specific business provided they were carefully regulated. Examples of such signs are as follows: Small directional signs within a center directing people to specific stores, light pole banners that identify a tenant in the center (only interior to the site), sandwich board signs located immediately abutting a business to identify specials or sales (they would need to be temporary in nature and would be limited in size and location and assist pedestrians on site. They would not be intended to be read from a moving vehicle), temporary banners attached to a building to advertise a grand opening or a special event and signs in windows as long as they don't take up more than 25% of the window space. Specific regulations would be included in

an ordinance amendment. He reported that staff has already drafted possible regulations for the above signs and staff believes these signs could be permitted without a significant negative impact on the looks of the community. Lastly, Mr. Stendebach covered subdivision marketing signs. Currently, subdivision marketing signs are currently permitted on site only. This limitation creates a potential hardship for subdivisions that do not front onto a major roadway. Permitting select smaller subdivision marketing signs on private property or in the right-of-way could assist in helping locate such subdivisions. Restrictions and guidelines would have to be developed regarding these signs as well as an amendment to the ordinance. Jim Nuse clarified that any amendments made to the sign ordinance could have a restrictive time limit put on them.

Staff will start drafting changes, visiting with stakeholders and bring an amended ordinance to the Council for consideration.

Mayor McGraw made some few closing remarks and thanked staff for all of their hard work and to Council for all the good discussion.

ADJOURNMENT

There being no further business, the meeting adjourned at 4:49 p.m.

Respectfully Submitted,

Sara L. White, City Secretary